



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed June 20, 2024


United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

IN RE: McCLAIN FEED YARD, INC., McCLAIN FARMS, INC., AND 7M CATTLE FEEDERS, INC., Debtors. ¹	Chapter 7 CASE NO. 23-20084-rlj Jointly Administered
RABO AGRIFINANCE LLC, <i>Plaintiff,</i> v. ACEY LIVESTOCK, LLC et al., <i>Defendants.</i> ²	ADV. PROC. NO. 23-02005-rlj Honorable Robert L. Jones

¹ The Debtors in these jointly administered cases are: (1) McClain Feed Yard, Inc. (Case No. 23-20084); (2) McClain Farms, Inc. (Case No. 23-20885); and (3) 7M Cattle Feeders, Inc. (Case No. 23-20886). All three cases are being jointly administered under the case number for McClain Feed Yard, Inc.

DEFAULT JUDGMENT AGAINST DEFENDANTS

DEFENDANTS: (i) C HEART RANCH, LLC; (ii) GARWOOD CATTLE CO.; (iii) KINGDOM TRUST; (iv) LFC CATTLE; (v) PRODUCERS LIVESTOCK COMMISSION; (vi) STARNES CATTLE; (vii) TGF RANCH LLC; (viii) TINDAL TRUCK SALES; (ix) WILDFOREST CATTLE COMPANY, LLC; AND (x) WJ PERFORMANCE HORSES, INC.

² The Defendants named in the Complaint are ACEY LIVESTOCK, LLC; MICHAEL ACEY; STAN E. AYERS, JR.; ARNOLD BRAUN TRUST; ARNOLD BRAUN; ROBERT BRAUN; BAR D RANCH LAND & CATTLE LLC; N. TERRY DICKS; BARRETT'S LIVESTOCK INC.; DON RALPH BARRETT; BELLA ELEGANCE LLC; BIG SEVEN CAPITAL PARTNERS, LLC; DORA BLACKMAN; BRYAN BLACKMAN; EDDIE BRYANT; BRENT BURNETT; JOE BURNETT; TERRY BURNETT; BUSS FAMILY TRUST; EDWIN D. BUSS; DENNIS BUSS; C HEART RANCH, LLC; COLETTE LESH; CARRAWAY CATTLE, LLC; RICHARD CARRAWAY; CURTIS JONES FARMS; DAC83 LLC; ERIC DeJARNATT; DON JONES FARM, INC.; DON JONES TRUCKING, INC.; DUFURRENA CUTTING HORSES; EDWARD LEWIS DUFURRENA; RIETA MAY DUFURRENA; ROBERT ELLIS; MICHAEL EVANS; DOUG FINLEY; GARWOOD CATTLE CO.; JUSTIN GARWOOD; GENE BROOKSHIRE FAMILY, LP; JOEL BROOKSHIRE; GRAY BROTHERS CATTLE; ROBERT GRAY; RONNIE GRAY; JIMMY GREER; GUNGOLL CATTLE, LLC; BRADLEY GUNGOLL; LEAH GUNGOLL; JACE HARROLD; HINES CATTLE COMPANY, LLC; HINES FARMS, LLC; A.J. JACQUES LIVING TRUST; CORY JESKO; DWIGHT JESKO, JOANN & KEITH BROOKS d/b/a BROOKS FARMS; LARRY KEITH; DUSTIN JOHNSON; DAVID JOHNSON; KINSEY JONES; KINGDOM TRUST; JAMES MCCUAN; KEITH HARRIS; JANICE LAWHON; JAN LESH; MORRISON CAFÉ, LLC; LESH FAMILY TRUST; GARY LESH; JARED LESH; JORDAN LESH, LLC; LFC CATTLE; CHARLES LOCKWOOD; COLE LOCKWOOD; SHERLE LOCKWOOD; NIKKI LOCKWOOD; MAP ENTERPRISES; MIKE GOURLEY; NATALIE MARTUS; JEAN NIX; OPEN A ARENA LLC; BARRY PHILLIPS; DREW PHILLIPS; PRIEST CATTLE COMPANY LTD; PRIEST VICTORY INVESTMENT LLC; CHRISTOPHER PRINCE; PRODUCERS LIVESTOCK COMMISSION; SONNY BARTHOLD; DAVID RAINEY; RAPP RANCH; MARK J. REISZ; RALPH REISZ; RIDGEFIELD CAPITAL ASSET MANAGEMENT; JIM GIORDANO; RILEY LIVESTOCK, INC.; ANGIE ROBINSON; RICK RODGERS; STEVE RYAN; JIM RININGER; SCARLET & BLACK CATTLE, LLC; COLTON LONG; SCOTT LIVESTOCK COMPANY; SHAW & SHAW FARMS PARTNERSHIP LLC; THE UNIVERSITY OF FLORIDA; ROBERT J. SPRING; STARNES CATTLE; JEFF STARNES; EDDIE STEWART; ROBERT STEWART; RACHEL STEWART; SCOTT E. STEWART; STEVE T SCOTT FARMS, INC.; JUSTIN STUEVER; PHILLIP SULLIVAN; AMY SUTTON; CRAIG SUTTON; TGF RANCH LLC; TOM FRITH; THORLAKSON DIAMOND T FEEDERS, L.P.; JOHN TIDWELL; MYKEL TIDWELL; TINDAL TRUCK SALES; JOHN TINDAL; JANET VANBUSKIRK; LYNDAL VANBUSKIRK; SUSAN VAN BUSKIRK; COLBY VANBUSKIRK; CAMERON WEDDINGTON; NANCY WEDDINGTON; WILLIAM WEDDINGTON; WILDFOREST CATTLE COMPANY LLC; WILEY ROBY RUSSELL, JR. as TRUSTEE OF THE W. ROBBIE RUSSELL LIVING TRUST; WJ PERFORMANCE HORSES, INC.; JOB WHITE; and KENT RIES, in his capacity as CHAPTER 7 TRUSTEE OF THE DEBTORS' CONSOLIDATED BANKRUPTCY ESTATE.

Pursuant to Federal Rule of Civil Procedure 55(b)(2), made applicable in the above-entitled adversary proceeding by Federal Rule of Bankruptcy Procedure 7055, and based upon the Plaintiff's *Motion for Entry of Default Judgment Against Defendants (i) C Heart Ranch, LLC; (ii) Garwood Cattle Co.; (iii) Kingdom Trust; (iv) LFC Cattle; (v) Producers Livestock Commission; (vi) Starnes Cattle; (vii) TGF Ranch LLC; (viii) Tindal Truck Sales; (ix) Wildforest Cattle Company, LLC; and (x) WJ Performance Horses, Inc.* (the "**Motion**") filed on May 22, 2024 by Plaintiff Rabo AgriFinance LLC ("**Plaintiff**"), in the above-entitled adversary proceeding, and the other pleadings and papers of record and on file in this case—including, but not limited to, the Plaintiff's First Amended Complaint, the Proofs of Service, the Declaration of the Plaintiff's counsel Michael R. Johnson, and the Default Certificates entered by the Clerk of the Court, and for good cause appearing therefore, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** as follows:

1. Judgment shall be, and it hereby is, entered in favor of the Plaintiff against each of Defendants C Heart Ranch, LLC, Garwood Cattle Co., Kingdom Trust, LFC Cattle, Producers Livestock Commission, Starnes Cattle, TGF Ranch LLC, Tindal Truck Sales, Wildforest Cattle Company, LLC and WJ Performance Horses, Inc. (collectively, the "**Defaulted Defendants**") as follows on Plaintiff's First, Second and Third Claims for Relief, and the Court hereby enters the following declaratory rulings regarding those claims as they relate to the Defaulted Defendants:

A. The claims that the Defaulted Defendants have filed or asserted with the United States Department of Agriculture, Packers & Stockyards Division asserting claims (the "**Dealer Trust Claims**") against McClain Feed Yard, Inc., McClain Farms, Inc, 7M Cattle Feeders, Inc.

and/or Brian McClain (collectively, the “**McClain Debtors**”) under 7 U.S.C. § 217b (the “**Dealer Trust Statute**”) are not valid claims under the Dealer Trust Statute.

B. The Defaulted Defendants’ Dealer Trust Claims are not valid and are not payable under the Dealer Trust Statute.

C. The Defaulted Defendants are not entitled to any funds or payments as a trust fund claimant or secured creditor under the Dealer Trust Statute.

D. The preliminary decision of the United States Department of Agriculture, Packers & Stockyards Division, to disallow the Defaulted Defendants’ Dealer Trust Claims is affirmed, and the Defaulted Defendants have no rights against the McClain Debtors or their bankruptcy estates under the Dealer Trust Statute.

E. The Defaulted Defendants’ rights against the McClain Debtors, their bankruptcy estates and their assets, if any, are junior and inferior to Plaintiff’s rights against the McClain Debtors, their bankruptcy estates and their assets.

F. If and to the extent the Defaulted Defendants have claims against the McClain Debtors related to the subject matter of their Dealer Trust Claims, those claims are, at most, general unsecured claims and not secured claims or trust claims.

2. Except as set forth above, all other requests for declaratory relief in Plaintiff’s Complaint against the Defaulted Defendants, if any, are denied as moot and are dismissed.

3. Plaintiff is hereby awarded its recoverable costs and expenses, if any.

*****END OF ORDER*****

Submitted by:

/s/ Michael R. Johnson, Esq.

RAY QUINNEY & NEBEKER P.C.

36 South State Street, 14th Floor

Salt Lake City, Utah 84111

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Counsel for Plaintiff

Rabo AgriFinance LLC,
Plaintiff
Acey Livestock, LLC,
Defendant

Adv. Proc. No. 23-02005-rlj

CERTIFICATE OF NOTICE

District/off: 0539-2
Date Rcvd: Jun 21, 2024

User: admin
Form ID: pdf023

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Total Noticed: 2

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jun 23, 2024:

NONE

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
ust	+ Email/Text: ustpreion06.da.ecf@usdoj.gov	Jun 21 2024 21:19:00	United States Trustee, 1100 Commerce Street, Room 976, Dallas, TX 75242-0996
ust	+ Email/Text: ustpreion07.au.ecf@usdoj.gov	Jun 21 2024 21:19:00	United States Trustee - AU12, United States Trustee, 903 San Jacinto Blvd, Suite 230, Austin, TX 78701-2450

TOTAL: 2

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jun 23, 2024

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on June 21, 2024 at the address(es) listed below:

Name	Email Address
Abel Angel Leal	on behalf of Defendant A.J. Jacques Living Trust abel@ssbtxlaw.com abel@leal.law
David L. LeBas	on behalf of Defendant Thorlakson Diamond T Feeders LP dlebas@namanhowell.com, jaucoin@namanhowell.com
Dawn Whalen Theiss	on behalf of Interested Party mp U.S. Department of Agriculture dawn.theiss@usdoj.gov brooke.lewis@usdoj.gov;CaseView.ECF@usdoj.gov

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John F. Massouh

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John F. Massouh	on behalf of Defendant Leah Gungoll john.massouh@sprouselaw.com sherida.stone@sprouselaw.com
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Joseph H Mattingly	on behalf of Defendant Barrett's Livestock Inc. joe@mattinglylawoffices.com
Joseph H Mattingly	on behalf of Defendant Acey Livestock LLC joe@mattinglylawoffices.com
Joseph H Mattingly	on behalf of Defendant Don Ralph Barrett joe@mattinglylawoffices.com
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Rachel E Barr	on behalf of Defendant Thorlakson Diamond T Feeders LP rbarr@namanhowell.com
Steven Lee Hoard	on behalf of Defendant Hines Farms LLC shoard@mhba.com, ssepulveda@mhba.com;eanderson@mhba.com
Steven Lee Hoard	on behalf of Defendant Don Jones Farm Inc. shoard@mhba.com, ssepulveda@mhba.com;eanderson@mhba.com

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Steven Lee Hoard	on behalf of Defendant N. Terry Dicks shoard@mhba.com ssepulveda@mhba.com;eanderson@mhba.com
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Steven Lee Hoard	on behalf of Defendant Kinsey Jones shoard@mhba.com ssepulveda@mhba.com;eanderson@mhba.com
Steven Lee Hoard	on behalf of Defendant Curtis Jones Farms shoard@mhba.com ssepulveda@mhba.com;eanderson@mhba.com
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TOTAL: 68